

Tax base for 25-26		NTC share of Council Tax - amount per annum for a band D-equivalent household					
		Precept increase - options:					
		additional amount annually (band D household):					
		0%	10%	15%	20%	25%	30%
		£0	£9,611	£14,411	£19,222	£24,033	£28,844
1604.6		£96,080	£169,586.96	£177,295.46	£185,003.96	£192,712.46	£200,420.96
		Total Precept 2025-26					

Forecasted General Reserve on 31st March 2025:	£79,014.31	< See also tab 'RESERVES' for details
Forecasted Earmarked Reserves on 31st March 2025:	£84,095.00	< See also tab 'RESERVES' for details
Total Reserves (General + Earmarked), forecasted for 31st March 2025:	£163,109.31	

Expected difference between Income and Expenditure 25-26:	£11,617.86	< See calculation tab BUDGET 25-26
Forecasted General Reserve on 31st March 2026:	£65,632.17	< See also tab 'RESERVES' for details
Forecasted Earmarked Reserves on 31st March 2026:	£108,895.00	< See also tab 'RESERVES' for details
Forecasted Reserves (General + Earmarked) on 31st March 2026:	£174,727.17	

IMPORTANT NOTES TO UNDERSTAND BUDGET AND PRECEPT CALCULATIONS AND PROPOSALS																	
The 24-25 budget data shows accurate data up to end DEC 2024 and forecasted to end MAR 2025 (forecasting last updated on 23rd January 2025).																	
The 25-26 budget proposals show a significant increase in both income and expenditure predictions against 24-25.																	
However, the proposed budget shows a surplus by the end of the 25-26 financial year.																	
These 25-26 budget proposals have been created with an assumption of 10% precept increase (as per above on this tab). This is the RFO's recommendation to the Council.																	
The RFO would normally recommend a higher precept increase (see below for explanations regarding potential risks re General Reserve reductions and future expected cost increases associated with the Unity Centre), but proposes here for the Council to consider a 10% increase for the coming financial year. The Finance and Governance Committee at its meeting held on 10th December, when discussing a second draft budget proposal, has made it clear that the most recent proposal for a 20% precept increase would be unacceptable, hence a 10% increase is considered an appropriate balance between the need to be conscious of financial and perception impact on community and Council needs.																	
The JPAG Practitioner's Guide (March 2024) states: 'The generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure.' and 'any authority with income and expenditure in excess of £200,000 should plan towards 3 months equivalent general reserve.' and 'it is important that each authority adopt, as a general reserve policy, the level appropriate to their size, situation, risks and plan their budget so as to ensure that the adopted level is maintained.'																	
Taking the 25-26 expenditure propositions as a basis, this shows an average monthly expenditure predicted of around £24,000; basing on JPAG recommendations it would therefore be advisable to retain at least around £70,000 as General Reserve at all times.																	
However, the above calculations show that in 25-26 Earmarked Reserves are expected to increase, but a small drop in General Reserve is to be expected (from about £79K at end of March 2025 to £65K at the end of March 2026, remaining more or less in line with the minimum three month General Reserve recommendation). Please note that the use of Earmarked Reserves (which is expected to grow over the same period) is restricted.																	
Key expected costs for managing the Unity Centre are primarily to kick in not until the next budget year 26-27 and it is advised that the Council considers the financial predictions for managing the Unity Centre for the first five years carefully and considers those in tandem with these 25-26 budget proposals. In this it is also recommended that the Council considers that setting a precept increase for 25-26 that is too low could have the potential for a proportionally higher precept increase for the years thereafter.																	
To put the recommended 10% band-D equivalent increase in historic perspective, the Precept for 2021-2022 was initially set low at £66,472.80 (£86.09 per band D equivalent household per annum). For 2022-2023 this was set at 88,250.86 (with a 5% increase in band D-equivalent household costs). For 2023-24 this was set at £111,159.41 (with a 0% increase in band D-equivalent household costs). For 2024-25 this was set at £144,786.44, with a £9.99 increase per band D-equivalent household, thereby rising this to a £96.08 annual costs per band D equivalent household (which is an 11.6% increase).																	
It is worth noting that, following initial higher annual housebuilding rates, the last couple of years have seen house building across Northstowe reduced to less than 200 new homes per annum: Tax base for Northstowe for 2022-23 was 1025.1. Tax base for 23-24 was 1,291.2. Tax base for 2024-25 was 1471.9, based on number of properties in Oct 2023 of 1,399. Tax base for 25-26 as currently presented by SCDC = 1604.6; data based on SCDC data for OCT 2024 - 1,547 properties. With housebuilding across phase 1 coming to an end in 2025, it can be expected that Homes England and its developers will nevertheless increase the speed of housebuilding across phase 2 and that therefore the precept for the next three years can be calculated on the basis of around 200 new homes per annum. Assuming an annual 5% increase in precept request, the results are displayed to the right-hand side for the next three years following the 25-26 financial year.																	
Key assumption for the budget is that NTC is to take on the management of the Unity Centre, from February 2026 onwards; several key costs related to fitting out and managing this building, as well as related staffing are included in this budget. Details about all relevant budget headings can be found in the business plan and associated financial projections being prepared for the Unity Centre, on which these budget proposals are also based.	<table border="1"> <thead> <tr> <th></th> <th>2026-27</th> <th>2027-28</th> <th>2028-29</th> </tr> </thead> <tbody> <tr> <td>NTC share of Council Tax - amount per annum for a band D-equivalent household</td> <td>£105.69</td> <td>£110.97</td> <td>£116.52</td> </tr> <tr> <td>Tax base</td> <td>1,804.60</td> <td>2,004.60</td> <td>2,204.60</td> </tr> <tr> <td>Precept</td> <td>£190,724.56</td> <td>£222,455.27</td> <td>£256,882.24</td> </tr> </tbody> </table>		2026-27	2027-28	2028-29	NTC share of Council Tax - amount per annum for a band D-equivalent household	£105.69	£110.97	£116.52	Tax base	1,804.60	2,004.60	2,204.60	Precept	£190,724.56	£222,455.27	£256,882.24
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Proposed increase in staffing is based on the Clerk's analysis of Council needs, as presented to and discussed at several Personnel Committee meetings, with the latest proposals having been presented to the Personnel Committee held on 14th January 2025. It is recommended that the Council considers those proposals in tandem with the details in the relevant paperwork.																	
Proposed staffing needs and associated FTE needs have also been considered as part of the business plan developed for the management of the Unity Centre and the costs included in this budget reflect those in those proposals. It is recommended that the Council considers the proposals in tandem with the details in the relevant paperwork. It is recommended that the Council considers carefully whether without the staffing types and FTE increases as proposed, the development of management systems and high-quality management of the Unity Centre as well as ensuring as much income from the building once managed by NTC can otherwise realistically be achieved.																	
It is important for the Council to understand that - alongside a proposed increase in precept - the budget is also built based on the assumption that a key income stream is to be acquired by NTC, a £60,000 S106 contribution from SCDC for revenue expenditure associated with the Unity Centre without any specific restrictions (these funds are part of the phase 1 S106 funds managed by SCDC and which sit within an Escrow account destined for 'revenue allocation to support community buildings in phase 1'). This is as yet to be negotiated with SCDC, although SCDC has been made aware of this wish (as well as a wish for subsequent two years' similar amounts, as further detailed also in the business plan for the Unity Centre). Relevant SCDC Officers have very recently made it clear that the amount left in these funds (£170,000) may indeed be used for this purpose and that SCDC would welcome NTC approaching SCDC for this purpose. Whereas the Unity Centre business plan shows that potential income to be derived from hirer fees and subletting of the Unity Centre would more or less even out with centre-related costs for utilities, management and maintenance, these S106 funds would be vital to cover the associated increase in proposed staffing costs to manage the centre appropriately. It has also been made clear by SCDC that, were transfer of such funds indeed to materialise, there should normally be nothing standing in the way of receiving the full first-year's worth (i.e. £60,000) upfront as the amount would not have to be aligned with financial or calendar years, but would be linked with operational years, hence the full amount is included in the budget for 25-26 and not proportioned. As this is a key income stream embedded within the proposed budget, the Council may nevertheless wish to consider the viability of its proposed activities were this income stream not be secured and what alternative income streams (e.g. loans or grant funding, for instance) could otherwise be targeted instead.																	